

Branch Banking Denounced as Drag on Trade

Independents in Mass Meeting
Be Submitted to Convention
Opposing Practice

Crisinger Is Criticized

Speakers Declare Effect of
System Will Be to "Can-
dize" Finances of U. S.

One of the big issues of the convention of the American Bankers Association is the fight of independent bankers against the system of branch banks and what has been termed the "benign attitude" of Comptroller of the Currency Crisinger toward branch national banks and the extension of the branch bank system.

In a mass meeting yesterday afternoon at the Hotel Astor a resolution was framed for presentation to the convention denouncing branch banking, both national and state, as subversive of the best interests of the American people and destructive of local initiative and development. About three hundred bankers were present and speeches were made vigorously attacking the branch system.

The gathering was presided over by Isaac N. Powell, chairman of the Cook County Bankers' Association, a large delegation from that body being present. Delegations also attended from the Associated Banks of Milwaukee, the Wisconsin Bankers' Association and the Missouri Bankers' Association. Delegates from Connecticut, New Hampshire, New Jersey and Indiana addressed the meeting.

Fight on Floor Expected
It is planned through the resolution to put the convention on record as opposed to branch banking in any form and no effort is made to disguise the fact that a hot fight is due on the convention floor. A statement issued by Chairman Powell said:

"Many city bankers, especially officers of the great banks in New York City, oppose putting the convention on record with regard to branch banking. But the vast majority of out-of-town bankers in attendance feel strongly on this subject. The struggle came to a head last July, when the First National Bank of St. Louis, with the tacit approval of Comptroller Crisinger, opened a branch bank and announced its intention to open others.

"The anti-branch bankers believe this to be an awful invasion by the Federal banks of the territory of the state banks, which are expressly hidden in Missouri to establish branches. Congress will be asked to pass a bill forbidding absolutely establishment of branch banks or offices by national banks."

Andrew Frame, of Waukesha, Wis., president of the Waukesha National Bank and one of the best known bankers in the United States, said:

"I am opposed to branch banking. First of all, because it tends to centralize the banking system of the United States. My contention is that independence uplifts the nation. Monopoly pays human progress."

Canadian System Cited
"Any one familiar with the situation in Canada knows that Toronto and Montreal dominate the prosperity of that country. Those two cities prosper at the expense of the remainder because they monopolize Canadian banking through branch banks. Canada outside the two cities I have named is dead by comparison with the business life of United States territory, independent banking inspires local initiative and development. (The Montreal and Toronto banks are what I call cream skimmers. They get the cream and leave the skim milk for the rest of Canada. We want none of that system in this country.")

Samuel B. Jeffries, president of the City National Bank of St. Louis; Joseph McDermott, president of the Freehold Trust Company of Freehold, N. J.; and Merrill B. Wells, president of the Home Savings Bank of Milwaukee; Burris Pollock, secretary of the Associated Banks of Milwaukee; Louis E. Dehendorf, of the Cass Avenue Bank of St. Louis, and Roy O. West, counsel for the Cook County, Ill., Bankers' Association, also spoke in favor of the resolution to place the convention on record against branch banks in any guise.

Rudolph S. Hecht, president of the State Banking Division of the American Bankers' Association, spoke in opposition to a resolution framed in terms likely to split the convention into two irreconcilable factions. Mr. Hecht declared himself against branch banking, but argued that any attempt by the convention in a resolution to dictate the banking policies of states as to whether or not they should permit state banks to establish branches within their own borders, would defeat itself by creating hostility in many directions.

Other Opponents of Branches
Others who declared themselves against branch banking by national banks as an invasion of the rights of communities and a practice detrimental to national development, were J. N. Tremaine, president of the United States Bank, of Hartford, Conn.; Ed-

He'll Greet Bankers



Secord Prosser, chairman of the New York Committee of 100, in charge of the reception of delegates to the convention of the American Bankers' Association here.

ward J. Morris, president of the Washington Bank and Trust Company, of Indianapolis; M. E. Tate, the Security State Bank, of Keokuk, Iowa; Thomas J. Healy, president of the Southwest Trust and Savings Bank, Chicago; William J. Rathje, president of the Mid-City Trust and Savings Bank, Chicago; Murray McLeod, vice-president of the Irving Park National Bank, Chicago; J. R. Burrows, president of the Central National Bank, of Topeka, Kan.; E. S. Lee, president of the First National Bank, of Covington, Ky., and Citizens' Bank of White Plains, N. Y. A committee on resolutions and the steering committee for the convention were named, including: Chairman Powell, A. W. Tremaine, Samuel R. Jeffries, Roy O. West, A. J. Frame, Burne Pollock, F. J. Couss and Secretary E. N. Baty.

Resolutions were adopted by the committee, reading:

"Resolved, by the representatives of banks here present, that we view with alarm the large increase in the number of branch banks in the United States and the growing tendency toward legalizing and permitting branch banking; that we desire to express our disapproval and opposition to branch banking in any form or nature, and

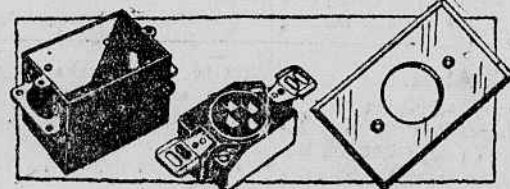
"Resolved, that we regard the branch banking system as detrimental to the best interests of both the banks and the people of the United States, and as tending to concentrate the power of money in the hands of a few centralized interests, and

"Resolved, that a committee be appointed to prepare a resolution in accord with the above stated resolutions for presentation before the American Bankers' Association to combat the opening of additional branch banks or offices."

More general delivery mail is handled at the convention postoffice than at any other postoffice in the world. The second largest is the City Hall Station, New York. The convention postoffice has half hourly deliveries and collections. On one delivery yesterday afternoon 4,000 pieces of mail were received.

The youngest delegate is four years old. More of her will be heard later.

In appreciation of the hospitality shown by the Military Academy when delegates visited West Point at the last New York convention, in 1904, the association will present to the Academy the bankers' cup, to be awarded annually to the class excelling in intramural sports. The bankers will make the presentation when a number of delegates visit West Point on Friday.



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Nation's Bank Heads Arrive By Thousands

(Continued from page one)

In the fact that we cannot find consumers for our surplus," he said, "but that our customers are in such a financial condition that they cannot pay a reasonable price for our products, and our farmers are faced with the dilemma of selling their surplus either below cost or not disposing of their surplus crops at all."

The importance of considering conditions in other countries was emphasized by F. O. Watts, president of the First National Bank, St. Louis, who said: "Our nation is so large in area and population and our industrial life is so diversified that a surprisingly large measure of prosperity can be enjoyed by our people regardless of industrial conditions in other nations. The great danger, however, is that we are disposed to overestimate our self-sufficiency, for with our increasing surplus of manufactured goods and capital we can no longer hope to enjoy the full measure of prosperity until Europe and other nations with whom we trade have been restored to normal industrial, political and social peace."

This is the time for business men to take action during the trying days of 1921," said Fred H. Goff, president of the Cleveland Trust Company. "It is a time of opportunity and a time for thrift."

Crop Yield Better
"Business conditions in the South-east are improving," said Oliver J. Sands, president of the American National Bank, Richmond, Va. The agricultural classes are our largest customers, and this year the yield from crops will be much better than for the last two years. This means liquidation of frozen credits and increased business."

Robert F. Mattox, president of the Atlanta National Bank, declared that the South was rapidly recovering from the depression and that the profits on the cotton crop would bring much relief to the agricultural community.

J. W. Hoopes, vice-president of the Central State Bank, Dallas, and E. F. Swinney, president of the First National Bank, Kansas City, also were enthusiastic over the outlook in their sections.

Not all of the time will be devoted by the delegates to business details, for an elaborate entertainment program has been arranged by local committees.

The world series games between the National and American League champions—the Giants and the Yankees—will attract hundreds, of course, and theater parties, sight-seeing tours, golf matches, luncheons and dinners will provide entertainment for those not attracted to the inter-league baseball games.

This phase of the convention began yesterday with two sight-seeing trips, one by bus to Dobbs Ferry and the Westchester-Biltmore Country Club, where luncheon was served, and one by boat around Manhattan Island, which gave visitors a view of the city's skyscrapers and points of interest in the harbor.

This afternoon another bus ride will take delegates and visitors through the residential district of Fifth Avenue to the Cathedral of St. John the Divine. A buffet luncheon will be served at the New York Stock Exchange and a subscription for the exchange and a sub-

The Texas delegation arrived on the steamship Calamates, making stops at New Orleans, Havana and the Bahamas.

The Oklahoma and Arkansas delegations stopped off in St. Louis and Niagara Falls. Others from the West departed for Niagara Falls, and many Western delegates crossed Lake Ontario by boat, debarking at Clayton and crossing to Albany, whence they came to New York by Hudson River boats.

An interesting exhibit is that of forged checks. Losses to surety companies from this source are put at \$50,000,000 annually, and estimates of the total losses to surety companies and individuals not secured place the sum at \$150,000,000.

Counterfeit money and raised notes form another interesting exhibit. Some of the "raised" currency is rather crude, but it is surprising how easy it is to pass, according to Chief Moran. The "illegitimate science" of counterfeiting is falling into decay, he says, because carelessness on the part of the public in handling money makes it unnecessary to use the product of an expert counterfeiter.

The purpose of these two exhibits is to warn bankers and through them the public to use greater caution. "Cash no checks for strangers" is the motto.

To-day's Program for The Visiting Bankers

Partial List of Committee Meetings
9:30 a. m.—Clearing House
Section—General meeting; John R. Washburn, president.

9:30 a. m.—Savings Bank Division—Executive committee; Raymond R. Frazier, president.

9:30 a. m.—Trust Company Division—Executive committee; Evans Woolen, chairman.

11:30 a. m.—Committee on Canadian Relations; David R. Forgan, chairman.

12 noon—State Bank Division—Executive committee; John D. Phillips, chairman.

12:30 p. m.—Commerce and Marine Commission; Fred I. Kent, chairman.

2:30 p. m.—National Bank Division—Executive committee; Thomas R. Preston, chairman.

2:30 p. m.—State Bank Division—General meeting; R. S. Hecht, president.

9 p. m.—Executive council; Thomas B. McAdams, presiding.

scription dinner of the Association of Reserve City Bankers will be given at the Boardwalk, 2000 Broadway.

The women's fashion show and tea will be held at the Hotel Plaza tomorrow afternoon, and theater parties have been arranged for tomorrow evening at six theaters. Wednesday will be club day for women, five local women's clubs having extended invitations to women guests. Theater parties for women will be given at five theaters in the evening.

Guy Emerson, executive manager of the local committee of one hundred, said last night that while an attendance of 7,500 had been anticipated, 10,000 would be registered in the course of to-day. Owing to the adoption by the committee of an elastic registration system, Mr. Emerson said, there had been no confusion, and provision had been made to take care of all comers.

A unique feature of the arrangements is establishment in the convention hall lobby of a complete postoffice sub-station. This station is being conducted on the general delivery system, and yesterday it did 200 per cent more business than the general delivery department in City Hall Station. Samuel J. Berry, forty years in the postoffice, is in charge. Outgoing mail is received and discharged every thirty minutes.

Bridge Falls Into River

Weight of Ten-Ton Boiler Too Much for Structure
NORWICH, Conn., Oct. 1.—About 100 feet of the steel highway bridge between Occum and Versailles, six miles from here, collapsed and fell into the Quinebaug river this afternoon under the weight of a boiler, estimated at ten tons. The truck carrying the boiler was being drawn across the bridge by a cable from a winch, which was operated by a team of horses on shore.

The state highway department is putting up a temporary way for pedestrians to get across the river, but vehicles will have to use another road.

Income Tax for 1920 Shrinks \$744,683,353

(Continued from page one)

1,927,184 in the number of returns filed, and an increase in the total net income reported amounting to \$3,876,137,785, but a decrease of \$194,576,418 in total tax.

As evidence of the increased scope of the work of the Bureau of Internal Revenue and an increasing knowledge of taxpayers from year to year, the tax law, the report shows that in 1917 3,472,890 personal returns were filed, showing net income of \$13,650,000,000, while in 1920 there were filed 2,599,944 returns, showing a net income of \$23,736,000,000.

As indicated heretofore, New York filed the greatest number of returns, individual and corporation, and received the greatest amount of net income, followed by Pennsylvania and Illinois. The total number of returns filed by New York was 1,103,129, of which 1,047,694 were personal, and 55,495 were corporation.

Pennsylvania filed 691,573 returns, of which 672,746 were personal and 18,827 were corporation. The total number of returns in Illinois was 563,594, of which 542,467 were personal and 21,127 were corporation.

The aggregate net income reported by New York was \$5,989,253,419, on which the tax amounted to \$639,799,964. The net income reported by individuals was \$4,030,629,696 and by corporations \$1,958,623,723. The net income reported by New York was 18.93 per cent of the total reported by the United States, and the tax was 23.69 per cent of the total paid by the United States. The total net income reported by Pennsylvania was \$3,183,769,913, of which \$2,117,829,029 was from personal returns and \$971,581,884 from corporation returns.

Pennsylvania reported 10.06 per cent of the total income, and the tax paid was 12.12 per cent of the total paid by the United States. The total net income reported by Illinois was \$2,514,137,216, of which \$1,836,956,942 was personal and \$677,180,274 was corporation. Illinois reported 7.94 per cent of the total net income, and the tax paid was 8.68 per cent of the total paid by the United States.

12,432 Aliens File Returns
The number of returns filed by non-resident aliens, resident aliens and foreign corporations in business or holding investments in the United States was 12,432, showing a total net income of \$48,449,193, on which the Federal tax was \$21,065,892. The number of returns of American citizens and domestic corporations reporting foreign incomes was 33,256, the income amounting to \$117,474,765.

Data compiled from the capital stock tax returns for 1922 is contained in the report. The law provides that the capital stock tax shall be measured by the fair value of the capital stock of a corporation at the end of the year immediately preceding the taxable period in the returns used. In this compilation the fair value is reported for the year July 1, 1920, to June 30, 1921.

The report shows that out of approximately 345,000 capital stock tax returns 326,100 were tabulated, showing a fair value of \$75,406,625,174. Of this aggregate fair value the manufacturing group reports approximately \$30,500,000, or 40 per cent. The next highest is finance, banking, insurance, etc., with \$13,709,000,000, or 18 per cent;

transportation and other public utilities, representing \$11,400,000,000, or 15 per cent; mining and quarrying, \$6,700,000,000, or 9 per cent. The agricultural group reports only \$1,000,000,000, or 1-1/3 per cent.

Following this table is a table which shows in percentages the ratios of the common stock, the preferred and the fair value of the capital stock to the total par value of the capital stock, both in the aggregate and by industrial groups. This exhibits the relative position of the various industrial divisions with respect to the par value and the fair value of their capital stock.

Leading in this respect are the life insurance companies with a ratio of 273 to 100. This is immediately followed by the group of accident, fire and marine insurance companies, reporting 272 to 100. The all other insurance group shows 236 to 100. For the insurance groups, however, a disproportionately high ratio of the fair value to the par value of the stock is shown, due to mutual or non-stock organizations having been included in the tabulation. The next in line of the capital stock companies, with 233 to 100, followed by national banks, 209 to 100, and state banks, 155 to 100. Lowest in order is the electric railway group, with a ratio of 31.75 in fair value to each 100 par value of capital stock. In the consideration of these data in determining the relationship of the fair value to the par value of the capital stock the abnormal financial conditions of the period July 1, 1920, to June 30, 1921, should be kept in mind.

The report shows that sixty-seven corporations filed returns showing a fair value each in excess of \$90,000,000. Under the heading of "Federal Estate Tax Returns" the report shows that there were filed 42,230 returns of resident decedents from September 9, 1916, to January 15, 1922. The total net taxable estates shown by these returns was \$5,407,673,531, on which the tax was \$361,138,323. Twenty-three estate tax returns were filed showing a net estate in excess of \$10,000,000. The number of estate tax returns of non-resident decedents filed was 2,896. The total net estate shown by such returns was \$101,848,712, and the tax was \$5,377,928. One return showed a net estate of over \$10,000,000.

The revenue act of 1918 prescribes that neither the returns filed by partnerships nor personal service corporations be taxable, but that such income shall be reported for taxation in the returns of net incomes of individual members or stockholders, according to their description shares, whether distributed or not. The number of returns of net income for 1920 filed by these two forms of association was: Partnerships, 240,707; personal service corporations, 5,542.

According to the tables contained in the report there were thirty-three persons in 1920 who had income of \$1,000,000 and over. The income classes, with the number and percentage in each class, are as follows:

Income Class	Number	Per cent of total	Total
\$1,000,000 and over	33	0.01	100.00
\$500,000 to \$1,000,000	122	0.02	100.00
\$250,000 to \$500,000	1,063	0.04	100.00
\$100,000 to \$250,000	2,191	0.08	100.00
\$50,000 to \$100,000	12,993	0.37	100.00
\$25,000 to \$50,000	38,344	0.93	100.00
\$10,000 to \$25,000	171,836	6.37	100.00
\$5,000 to \$10,000	455,442	16.43	100.00
\$1,000 to \$5,000	1,587,116	58.43	100.00
Under \$1,000	2,599,944	95.57	100.00

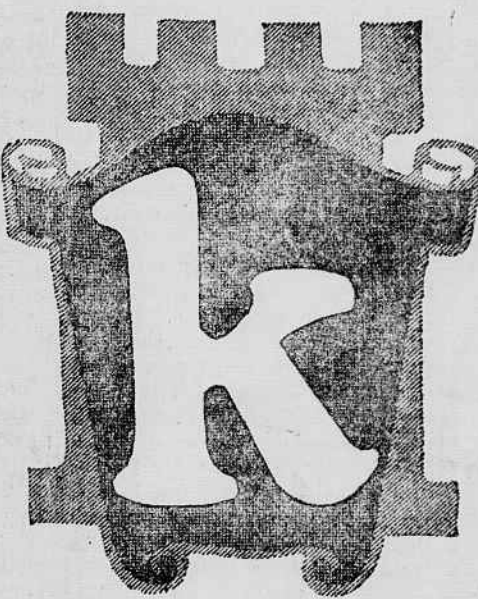
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